

Workforce News



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Central: Juab, Millard, Piute, Sanpete, Sevier, Wayne

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The Journey to Work—How Many People Cross County Lines for Employment?

Inside:

Are We in Recovery?

- **Juab:** Not Yet
- **Millard:** Perhaps
- **Piute:** No clear sign
- **Sanpete:** A Hint
- **Sevier:** Definitely
- **Wayne:** A rocky road



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According to information from the U.S. Census Bureau's Local Employment Dynamics (LED) program, a lot of you live in one county and work in another. And, the number of commuters grows every year. Why don't folks just save the commute time and stay in their own county? The reasons are probably nearly as numerous as the commuters, but here are some common commuter considerations:

- ♦ I like the quality of life where I live, but to find employment, I've got to go somewhere else.
- ♦ I'm a construction worker who works where the current project is located.
- ♦ I can earn more money by working in another county.

Whatever the reason, workers in central Utah cross county lines frequently for employment purposes. Keep in mind that many people spend the whole workweek in one county but maintain a residence (and family) in another. The LED program merely tracks where a worker lives and where they work to provide commuting patterns.

For many counties, the number of residents commuting outside the county appears remarkably similar to the number of workers entering the county for employment. Nevertheless, counties are generally either net exporters of commuters (more workers leaving than entering) or net importers of commuters (more workers entering than leaving the county).

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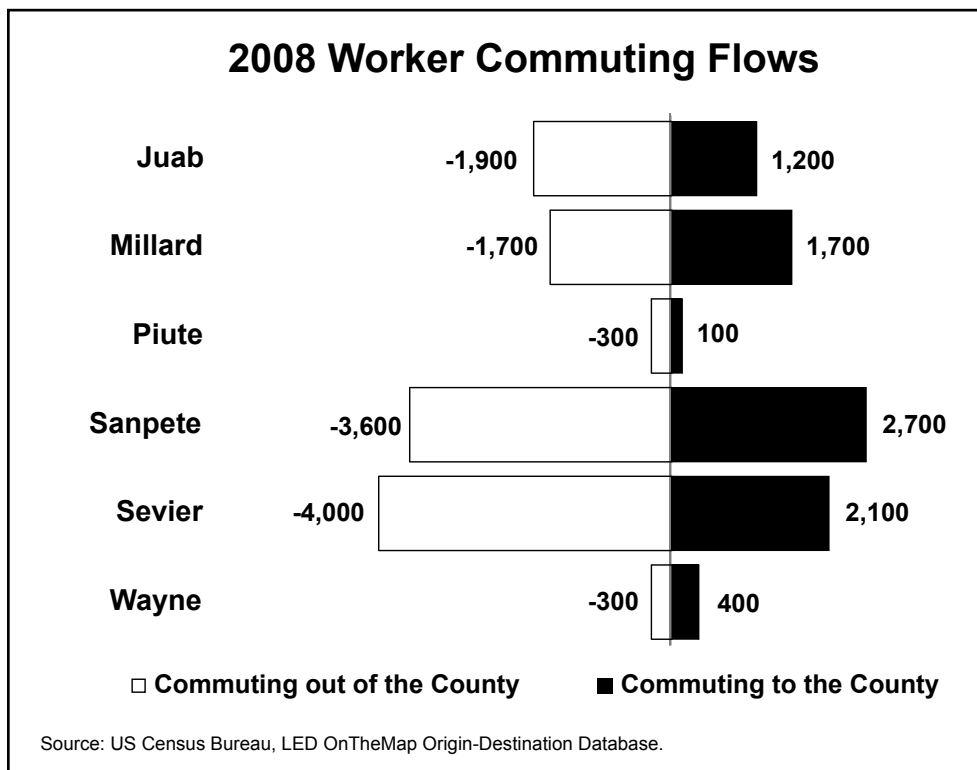
The Journey to Work (continued)

Importing or Exporting?

In the five counties of southwestern Utah, a majority of counties attract more labor than export it. However, in central Utah, most counties show more out-commuters than in-commuters. Juab, Piute, Sanpete, and Sevier counties all show more workers traveling out-of-county than in-county. This makes intellectual sense. Rural areas typically don't have the variety or quality of jobs that might be found in larger economic centers. And both Juab and Sanpete counties are close enough to allow daily commuting to the southern end of the Wasatch Front.

However, Sevier County shows the highest ratio of out-commuting. The number of out-commuters is almost double its number of in-commuters. Plus, the county serves as a regional shopping hub, so you might expect it to also draw in workers from other counties.

Interestingly, Millard County attracts roughly the same number of in-commuters as it exports. That leaves Wayne County as the only net importer of employment in the six counties of central Utah. Moreover, it shows only 100 more in-commuters than out-commuters—not a significant number in the overall region.



Coming In

Not surprisingly, most counties in this six-county area attract the greatest number of in-commuters from neighboring counties. Millard County proved the exception. It attracts the largest number of its in-commuters from Utah County, which doesn't share a border.

Going out

Remarkably, given the distances involved, most counties in central Utah show the largest number of out-commuters working in Salt

Lake County. Obviously, many of these individuals are workweek commuters rather than workday commuters. Again, there's one exception. Juab County shows the largest number of its out-commuters heading to neighboring Utah County.

If you are interested in more information regarding commuters in your area, we'll be posting some commuter fact sheets on our internet site in the next month or so. Just go to: <http://jobs.utah.gov/countyinfo> and select your county. **WFN**

County News

Are We Recovering?

Before we delve into the data for individual counties, let's cover some basics. There's a lot of talk in the financial press (and among opinionated pundits) about the state of the economy. Is the U.S. in the recovery phase of the business cycle? Some say, "no." Unemployment is still high, we're not growing jobs, and darn it, it just doesn't feel like we're out of the downturn woods. Others (mostly economists) say, "yes." The data indicates that the U.S. has probably entered a period of economic recovery. Who is right?

Well, don't be too surprised. I side with the economists. Why? First, let's compare economic malaise to a regular bodily illness. When you get the flu virus, you start feeling bad. Then you feel REALLY terrible. At some point, you feel so awful you think you're about to die. Then, the next day, you wake up and you feel just a little bit better. Finally, several days down the line you're back to your normal healthy self. Now, after you pass that day when you feel the worst, aren't you "recovering?" Yes. You aren't back to normal, but the worst is over and you're starting to get better.

An Illness is an Illness

Apply this analogy to an economic illness. Once you've passed the worst part of a business downturn, the economy is "recovering." It doesn't mean the economy is back to normal economic health—just that it's getting better instead of worse.

One of the best ways to track economic well-being is with the year-over percent change in nonfarm jobs. (Taking the percent change between employment in a particular month and the same month a year earlier.) When that measure is at its worst (the highest level of job loss), the National Bureau of Economic Research

has always (within a month or two) marked the end of a recession. After that, the economy is considered to be in the recovery phase.

Are We There Yet?

Has the U.S. reached that point? Yes, in third quarter 2009. Job losses, as measured by the year-over percent change, are now getting smaller. Coupled with the bottoming out in other economic indicators and growth in gross domestic product, it seems safe to assume that the U.S. is in economic recovery. It doesn't mean jobs are expanding again (it never has). It just means the losses are getting smaller—which eventually will set the stage for growth.

Generally, we can use this same measure on a county level. However, in some very small counties results can be skewed by large construction projects. In addition, in more rural counties the trend isn't always quite as clear. But, typically, the rule holds true. Once year-over job losses are consistently smaller, your economy is in the recovery phase.

Juab County

After showing brief signs of economic life in the second quarter of 2009, Juab County returned to job losses in the third quarter of 2009—a sure signal that the county has yet to enter the recovery phase. Between September 2008 and 2009, the county's nonfarm jobs declined by slightly more than 3 percent. At the heart of this decline was a decrease in construction employment. In addition, leisure/hospitality services and professional/business services also took a substantial payroll hit.

However, unlike most other counties, several industries in Juab County showed employment gains. In particular,

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County News (continued)

manufacturing employment improved as the county became home to new firms. Plus, retail trade and the public sector displayed improving job numbers.

Construction permitting data appears to have hit bottom, but sales have yet to show a steadily improving trend. In addition, jobless rates continue to rise (although at a slower rate) and initial claims for unemployment insurance remain at historically high levels.

Millard County

Millard County's year-over change in nonfarm jobs suggests that the downturn may have hit bottom in the third quarter of 2009. However, certainty of that fact requires at least another full quarter's worth of data. Between September 2008 and 2009, the county's employment dropped by almost 4 percent, or 160 jobs. Unfortunately, almost every major industry experienced job losses. Unlike many areas, construction's employment contraction proved very slight. Retail trade, professional/business services, leisure/hospitality services, mining, and government all registered job decreases. Job gains proved few and far between—the largest increase occurred in wholesale trade—three whole positions.

While jobless rates plateaued earlier in 2009, they were on the rise again by year-end. In addition, initial claims for unemployment insurance remain above year-ago levels. And although nonresidential building permits are up for 2009, the residential side actually got worse. Gross taxable sales have yet to make a concerted comeback although car sales seem to have bottomed out earlier in the year. All in all, the county is showing no overall signs of recovery yet.

Piute County

Like many of its central Utah neighbors, Piute County has yet to show clear signs of reaching the recessionary bottom. Year-over figures for September 2009 show the county with a 13 percent, 50 job decline. Every major industry either lost employment or held steady—except, oddly enough, construction. Mining, retail trade, and transportation experienced the most pronounced decreases.

In addition, gross taxable sales have yet to make a decided turnaround and continue to show year-to-year losses. On the positive side, unemployment rates seem to be topping out and initial claims for unemployment insurance are down from last year's levels.

Sanpete County

Sanpete County's nonfarm job performance in third quarter hints that it may have already hit its worst level of the recession, but honestly, it is just too soon to tell. Between September 2008 and September 2009, employment dropped almost 7 percent for a loss of about 550 jobs. Manufacturing felt the brunt of the employment decline, but almost all industries continued to contract. The transportation/warehousing, information, and other services industries displayed very modest employment gains.

Other indicators show little economic promise. Construction permitting continued to erode—both on the residential and nonresidential aisles. Gross taxable sales losses hit their lowest recessionary point so far in third quarter 2009. On the other hand, unemployment rates have stopped rising so rapidly and initial claims for unemployment insurance are down from year-ago

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County News

levels—perhaps an indicator that the economy may enter the recovery phase soon.

Sevier County

Employment figures for Sevier County do signal an end to the recession in early second quarter 2009. At their worst, year-to-year job losses measured almost 6 percent. By September 2009, job losses measured 3.4 percent. Although job losses are moderating, most industries continued to shed employment—just at a slower rate. Professional/business services (which includes “temp” agencies) discarded the highest number of new jobs, followed closely by manufacturing. A number of industries—mining, retail trade, utilities, and government—managed to increase payrolls, if only by a few jobs.

Residential permitting continued to contract during 2009. However, overall permit values showed some improvement. In addition, losses in both gross taxable sales and new car sales appear to have bottomed out in early 2009. Finally, unemployment rate increases have slowed and initial unemployment insurance claims are down.

Wayne County

Although the recession in Wayne County appears to have hit bottom in second quarter 2009, the road to recovery is proving rocky. Year-over employment declines for September 2009 still display a 3.5-percent loss. The worst declines occurred in health/social services and leisure/hospitality services.

Nevertheless, the county’s jobless rates appear to have peaked in early 2009. Other indicators present a mixed bag. Residential construction permitting held almost steady while nonresidential permit values took a decided dip. Also, sales figures continue to show consistent losses. **WFM**

For more info:

Get detailed county-level data and historical county data at:

<http://jobs.utah.gov/countyinfo>

When there, select which county you want to view, then find the *Demographic and Economic Profile* under Publications in the right-hand column.

What's Up?

For a quick look at your county's current economic information, go to: <http://jobs.utah.gov/countyinfo>, select your county, and then click on “Current Economic Snapshot.”

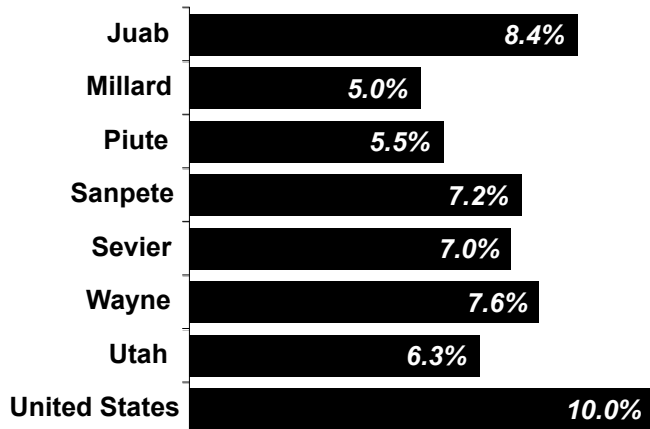
“After shutting down its plant last year in the face of unsettling losses, **Moroni Feed** is projecting its biggest production year in history in 2010. Meanwhile, the company is announcing other changes that officials say will boost sales and create jobs in Sanpete County.”

-The Sanpete Messenger

“The Governor’s Office of Economic Development board has approved **MediConnect Global in Ephraim** for an incentive package of as much as \$1.8 million to add about 300 jobs over the next 10 years.”

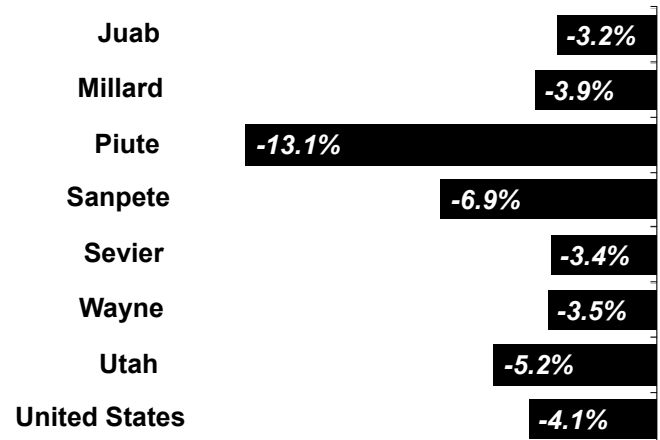
-The Salt Lake Tribune

**Seasonally Adjusted Unemployment Rates
November 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

**Percent Change in Nonfarm Jobs
September 2008 to September 2009**



Source: Utah Dept. of Workforce Services; U.S. Bureau of Labor Statistics.

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